

PSCU, the nation's premier payments credit union service organization, has updated its weekly transaction analysis from its Owner credit union members on a same-store basis to identify the impact of COVID-19 on consumer spending and shopping trends.

To provide relevant updates on market performance, experts from PSCU's Advisors Plus and Data & Analytics teams today released year-over-year weekly performance data trends. In this week's installment, PSCU compares the 40th week of the year (the week ending October 4, 2020 compared to the week ending October 6, 2019).



OVERALL SPEND

Card payment volume growth rates continued to show overall strength in Week 40, with debit dipping slightly and credit showing continued positive growth.

Debit
↑ **14.6%**

Debit card spend was up 14.6%, slightly lower than the four-week average of +16.3%. Transactions were up 2.3% and have been positive for 14 consecutive weeks.

Credit
↑ **3.6%**

Credit card spend achieved its fifth consecutive week of positive growth at +3.6%, which is higher than the four-week average of +2.8%. Transactions were also slightly higher than the four-week average of -2.8%, finishing down 1.3%.

CONSUMERS CONTINUE STRONG USAGE OF CONTACTLESS, MOBILE WALLETS AND CARD-NOT-PRESENT (CNP) ALTERNATIVES, WHILE USING LESS CASH.



CONTACTLESS
↑ **15.7%** of Debit Card-Present Transactions

↑ **10.3%** of Credit Card-Present Transactions

Contactless "tap-and-go" transactions via dual interface cards continue to gain adoption. Debit contactless transactions as a percent of card-present activity on contactless debit cards have grown from around 8.4% in mid-January to 15.7% in Week 40. Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 10.3% of card-present activity on contactless credit cards.



MOBILE WALLETS
↑ **67.3%** Debit

↑ **50.0%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards continue to show positive results. Debit mobile wallet purchases finished Week 40 up 67.3% year over year, lower than the four-week average of +70.3%. Credit mobile wallet purchases were up 50.0% year over year, lower than the four-week average of +51.4%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
↑ **44.1%** of Purchases

↑ **29.2%** of Transactions

CREDIT CARD NOT PRESENT
↑ **53.5%** of Purchases

↑ **42.5%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 53.5% of purchase volume and 42.5% of transactions were CNP. For debit, 44.1% of purchase volume and 29.2% of transactions were CNP. Purchase mix has held steady and is up 5.2 percentage points year over year for credit and 6.0 percentage points for debit. Transaction mix also remains steady, up 7.8 percentage points for credit and 6.5 percentage points for debit year over year.



ATM
↓ **19.2%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 19.2%, just above the average for the past four weeks of -20.0%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 40 WERE STEADY AND TRENDS REMAIN POSITIVE OVERALL.



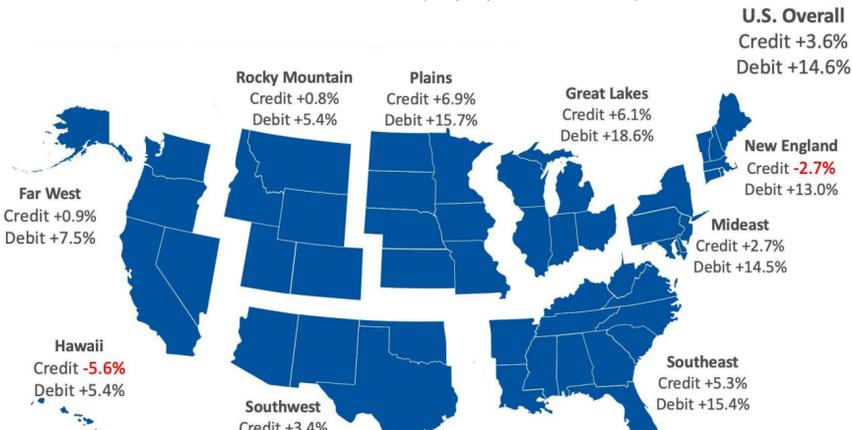
CONSUMER GOODS
↑ **31.9%** Debit

↑ **23.5%** Credit

Goods showed continued strong performance, with purchases up 31.9% for debit and up 23.5% for credit. This category will be closely monitored this week with the expected uptick from Amazon Prime Day on October 13-14.

REGIONAL SPENDING TRENDS

Our regional analysis of spend utilizes the segmentation used by the U.S. Bureau of Economic Analysis (BEA) for economic analysis.



DEBIT

Overall U.S. spend was up 14.6% for debit purchases. The Great Lakes (+18.6%), Plains (+15.7%) and the Southeast (+15.4%) finished above the U.S. average for Week 40. The Far West (+7.5%) and Rocky Mountain regions (+5.4%) showed the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 3.6% for credit purchases. The Great Lakes (+6.1%), Plains (+6.9%) and the Southeast (+5.3%) finished as the strongest regions for Week 40. The New England (-2.7%) and Rocky Mountain regions (-0.8%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE EXPLORES THE GROCERY STORE/SUPERMARKET SECTOR, WHICH CURRENTLY MAKES UP 10% OF OVERALL CREDIT PURCHASES AND 17% OF ALL DEBIT PURCHASES.



GROCERY STORE / SUPERMARKET
Four-week Average

↑ **9.5%** Debit

↑ **18.6%** Credit

Debit purchases have been higher than their weekly 2019 levels all year, finishing Week 40 up 6.7%, under the four-week average of +9.5%.

Credit purchases have also been above 2019 levels all year, finishing Week 40 up 18.8%, in line with the four-week average of +18.6%.

Within the Grocery Store/Supermarket sector, the incremental growth in purchases has come from growth in transaction size and CNP volume. This can be attributed to consumers making less frequent trips to grocery stores while increasing their use of delivery and curbside pickup in the pandemic environment.

While Card Present (CP) transactions have been running higher than 2019 levels, the average purchase price has been running higher. Since March 15, this larger transaction size has accounted for approximately 78% of the increase in debit grocery spend and 55% of credit grocery spend.

CNP transactions have seen strong growth in 2020, with growth for credit up over 200% each week since early April and debit up over 100%. For credit, this contributed to the remaining 45% of the increase in grocery spend and for debit the remaining 22%.



AVERAGE CREDIT TRANSACTION
Four-week Average

\$50.73 Card Present

\$80.09 Card Not Present

Average transaction sizes for credit and debit in the sector are very similar and have trended similarly. For most of 2019, the ticket size for both credit and debit averaged around \$45. Credit peaked at a slightly higher amount (\$65) in Week 15 (week ending April 12) and debit peaked at \$61 the following week. Both are currently averaging \$52 per transaction.



AVERAGE DEBIT TRANSACTION
Four-week Average

\$49.21 Card Present

\$73.44 Card Not Present

Within the sector, the transaction sizes for CP and CNP are different, with CNP much higher.

The average credit CP transaction for Week 40 is \$50.79, in line with the four-week average of \$50.73, while CNP is \$80.38, in line with the four-week average of \$80.09.

The average debit CP transaction for Week 40 is \$51.20, up slightly from the four-week average of \$49.21, while CNP is \$74.43, slightly increased from the four-week average of \$73.44.



Performance for both debit and credit purchase volume remained strong in Week 40, buoyed by continued strength in consumer goods. We'll continue to watch this sector closely in the next week, especially with Amazon Prime Day on October 13-14. In this week's deeper dive into the Grocery Store/Supermarket sector, we saw exceptional year-over-year growth in card-not-present activity – even more than the changes we saw in last week's deeper dive into the Restaurant sector – further indicating that behavioral growths will likely continue in the new normal.

— *Glynn Frechette, SVP, Advisors Plus Consulting at PSCU*



PSCU's Weekly U.S. State/Territory Analysis is available on pscuc.com/covid19, ranking U.S. states and territories by year-over-year performance for debit purchases, credit purchases and ATM transactions.

PSCU will continue to develop and share analysis of transaction trends on a regular basis moving forward through the COVID-19 crisis. For more COVID-19 support resources, visit pscuc.com/covid19.